



Management Leadership Styles and Profitability of Production Firms in South East, Nigeria

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Abstract

The study examined the relationship between management leadership styles and profitability of production firms in South East, Nigeria. The specific objectives include to examine the extent of which autocratic leadership relates to profitability of production firms in South East, Nigeria and to investigate the extent of which democratic leadership relates to profitability of production firms in South East, Nigeria. The study adopted survey research design. The sample size of the study was 132 using purposive statistical method under what previous authors did. Questionnaire instrument was validated. The findings revealed that autocratic leadership had significant positive relationship with profitability of production firms in South East, Nigeria ($t=.034$, $pv=0.05<0.000$) and democratic leadership had significant positive relationship with profitability of production firms in South East, Nigeria ($t=.049$, $pv=0.05<0.000$). Based on findings, we conclude that management leadership styles had significant positive relationship with profitability of production firms in South East, Nigeria. Based on findings, the study recommended that government should put adequate leadership training, workshop and seminars to enable production boost their workers intellectual ability.

Keywords: Management Leadership Styles; Profitability of Production Firms; Autocratic Leadership

Introduction

The primary aim of all businesses is to make a profit, as well as expand the scope of the business in relation to the founding protocols. To effectively and successfully manage the affairs of an organization, leadership is a determinant factor. The success or failure of an organization depends largely on the style of leadership being adopted in the organization. Under the right leadership style, employees are ready to go the extra mile in contributing their best to the growth and sustainability of the organization, whereas under the wrong leadership style, they lack the zeal and motivation to contribute the best of their quota to the organization, and invariably, a low output is experienced (Osakpamwan, 2021).

Leadership style to a great extent is the bedrock of any business or organization. Therefore, only people who can manage other people of different races, who are highly creative and innovative, and can successfully savage dire situations in case of emergencies, are worthy to be called leaders. In this vein, being a leader is personal, because it emerges from individual's personal qualities and actions. However, to successfully lead an organization which is result-oriented, the actions of the employees must also be put into consideration. Absolute scrutiny of personnel's traits will enable the leaders to make informed decisions on the type of leadership style to be adopted, so as to yield the desired results that will enhance the growth and sustainability of the organization (Osakpamwan, 2021).

Harris, et al. (2017) postulated that leadership style is the kind of relationship that is used by an individual to make people work together for a common goal or objective. According to Mitonga-Monga, Coetzee & Cilliers (2012), leadership is the pattern associated with managerial behavior, which is designed to integrate the organizational or personal interests and effects for achieving particular objectives. Different styles of leadership adopt different methods of leading subordinates and therefore, produce different results. It is against this backdrop, that this section tends to review different types of leadership styles and how they influence subordinates to yield desired results.

Profitability is a commonly used indicator of firm production performance. Consequently, it is in the best interest of every organization to maximize their return rate to satisfy shareholders, attract new capital and to ensure continued operations. Studying the determinants of profitability has thus been the focus of numerous scientific disciplines and continues to grow in popularity. For example, Stulz (2019) states that the profitability of a firm is significantly influenced by its internal resources and assets; namely property, machinery and employees. A study by Jiasinghani (2015) opines that investing in research and development projects contributes significantly to the profitability rate of a firm.

This is evident in the amount of resources organizations commit to developing leadership potential and employing personnel with requisite leadership potential in a bid to ensure competitive advantage is achieved in the area of profitability. Leadership practice and style impacts profitability by promoting "a climate that would influence employees' attitudes, motivation, and behavior" (Aldoory & Toth, 2004 cited in Aunga & Masare, 2017); this, in turn, organizational attributes its success to its workforce and its commitment to get results the right way (Chevron, 2018). Based on this background, the study was to investigate the relationship between management leadership styles and profitability of production firms in South East, Nigeria.

Statement of the Problem

A large number of organizations spend considerable huge amount on solving managerial problems. Besides, research on management's leadership style and profitability of production firms are limited and personnel do not know enough about management's leadership style that would have adopted. Several organizations today have the problem of leadership and the style to be adopted in leading employees, increase profitability and increase productivity. Over the years, organizations have faced the bureaucratic leadership issues. Consequently, many leadership ideas within the last century have affected the general effectiveness of organization's productivity (Heurieglet, 2019). Leadership has characteristics that distinguishes it as a dynamic symbolic movement where every employee looks up to for adjustment when necessary. These characteristics explain the vital sensitive and proper positioning of leaders in organization. The absence of effective leadership styles is a serious problem endemic in many organizations. It is obvious that the resultant outcome is poor staff performance, absence of motivation, poor

growth and development of the institutions. Hence, this would sort to investigate Management leadership styles and profitability of production firms in South East, Nigeria.

Objectives of the Study

The broad objective of the study was to examine the relationship between management leadership styles and profitability of production firms in South East, Nigeria. Specific objectives include;

- i. To examine the extent of which autocratic leadership relates to profitability of production firms in South East, Nigeria.
- ii. To investigate the extent of which democratic leadership relates to profitability of production firms in South East, Nigeria.

Research Questions

The following research questions were asked under the study:

- i. To what extent does autocratic leadership relates with profitability of production firms in South East, Nigeria?
- ii. To what extent does democratic leadership relates with profitability of production firms in South East, Nigeria?

Statement of Hypotheses

Two major hypotheses were formulated to guide the study;

- i. There is no significant positive relationship between autocratic leadership and profitability of production firms in South East, Nigeria.
- ii. There is not significant positive relationship between democratic leadership and profitability of production firms in South East, Nigeria.

Significance of the Study

The following group of individuals will greatly benefit from the study. These are production firms' managers, Scholars, Policy Makers and Researcher.

The Managers: Production firms' managers that pay close attention to the findings of this study could adopt the management leadership style found useful in this study to leverage on the profitability of its firm of its business organization by adopting autocratic and democratic leadership style.

The Scholars: Previous studies in Nigeria on management leadership styles have not focused on leadership style and profitability of production firms. This study could provide information that could be used by other scholars to understand management of leadership and their relationship on profitability of firms. Scholars could use information from the study as basis to determine the proxies for management leadership and profitability of production firms, research gap in the literature, discussion of findings and formulation of useful hypotheses.

The Policy Makers: The management leadership are relatively new and policies are still being formulated to regulate the sector and its implications on the society. In this context, findings from this study will help policy makers to design effective policies that will guide the operations of management leadership as determinant to achieve high profitability in organizations.

The Researcher: The study can help researcher to gain valuable experience and develop more knowledge and skills and to get the overview of this study. Indirectly, the researcher is not only helping the organization to identify the strength and weakness of the company but also has an opportunity to give some recommendations for further improvement.

Scope of the Study

This study sought to investigate the relationship between management leadership styles and profitability of production firms in South East, Nigeria. Specifically, the study focused on the major two management leadership styles namely: autocratic and democratic leadership styles as independent variables while profitability of production firms as dependent variable. The study focused on staff of selected production firms at their main branches namely Zandob Production firm Enugu State, Cassava processing firm Ebonyi State, Seven Up bottling company Abia State, Afriwood production firm Anambra State and Ekeoma plastic firms Imo State especially for those experience senior and junior staff of the firms.

Limitations of the Study

It was difficult to collect in-depth information on why production firms' category do not have a moderating effect on the relationship between leadership styles and profitability due to the limitations of quantitative research methods. In addition, the leadership styles may have a different influence on profitability of production firms like business sales growth and operating costs. However, the aforementioned limitations may not change the results rather provide more information on the presented results.

Review of Related Literature

Conceptual Review

Management

The word 'management' has been given various meanings. Accordingly, it does not seem that there is any one definition of management that commands universal acceptance or application to all situations. Often authors define the word in ways that reflect their experiences or suit their circumstances (Ile, 2002). American Institute of Management, the word management is used to designate either a group of functions or the personnel who carry them out: to describe either an organization's official hierarchy or the activities of men who compose it (Nwachukwu, 1988). Management is also defined as getting things done through and with people. Ejiofor (1985) defined management as the art or science of working in an organization through being directed by and by directing and coordinating the activities of people to achieve one's personal goals in the context of the goals of one's organization. It is the process of planning, organizing, staffing, directing, controlling and coordinating an organization's resources (men, money, materials and machines) to achieve organizational goals in an efficient and effective manner. Management is concerned with achievements, objectives, performances, results, success, efficiency and effectiveness (Ile, 2002).

Leadership

Singapore Productivity Association (SPA, 2010): there posited that leadership is a social influence which individual exhibits and gets the support of other persons in the accomplishment of a common goal. It has to do with the role someone play in influencing followers in order to achieve organizational goals. Another connotation of leadership considered by Moshane and Vanglino (2017) maintained that leadership is the process of influencing people and providing an enabling environment for them to achieve team or organizational goals and objectives. Inyang (2019) defined leadership as a process which involves the use of non-coercive influence to shape a group or organizational goals, motivate behaviour towards achieving the goals as well as define the group's culture.

Leadership Style that is Part of this Study

Leadership style should be dependent on the task and the people being led, the environment and the leader initiative. However, there are several types of leaders exhibiting different leadership characteristics. It is therefore a first step to understand leadership development by exposing the various styles of leadership. Leadership style may be based on autocratic structure, people and production orientation. Empirical research conducted by Levin and

White (2019) on leadership style, identified three major leadership styles are autocratic leader and democratic leadership styles (Ukaidi, 2016).

Autocratic Leadership Style

The autocratic leadership style is also known as authoritative leadership style. According to Mgbeze (2018), while some input is sought from subordinates, the leaders regard their influence as the key element in any major decision or job outcome. Mgbeze (2018) further stressed that the authoritative leader accomplishes ends through imparting a clear, compelling vision, sees to it that the vision is built into strategic planning, and guides actions throughout the organization. The authoritarian sets clear directions, monitors progress closely and declares to subordinates the position they wish them to adopt by elucidating why certain things are expected, done or required and how individual actions adapt into the larger picture. Mgbeze (2018) opined that the feedback authoritarian offers may be positive or negative but clear, and treatment of subordinates tends to be firm but fair. It may shade over into a directive style when subordinates are given very little power or decision-making authority (Ukaidi, 2016).

Democratic leadership Style

Mgbeze (2018), democratic leadership is the leadership in which the decision-making process is decentralized and shared by all the subordinates. A democratic leader believes in people and relies on the functioning of a group to achieve results (Mgbeze 2018). In democratic style of leadership, subordinates are involved in the decision-making process, and decisions result from a group consensus. There are frequently scheduled meetings, and subordinates are listened to by the leader. This leadership style aspires to nurture responsibility, flexibility and high morale. There is a tendency for staff to be more realistic about what is and is not possible, because they are involved in the decision-making process, as well as planning (Ukaidi, 2016).

Leadership and Profitability of Production Firms

Organizational success or failure is largely dependent on the leadership style. Many studies on leadership and organization performance posited that leadership traits and behavioural paradigm of the top management affects organizational performance (Argyris, 2019). Leadership method or style and systemic behaviour shifted away from the characteristic of the leader to the style the leader adopted (Likert 2016). Records from the style approach suggested that leaders who are addicted to democratic or participatory leadership style appeared more successful compared with managers that adopted autocratic or laissez faire leadership style of management (Bowers and seashore, 2016). Nwachukwu (2018) believed that participative leadership is the best style of leadership in managing an organization system of any type. Nwachukwu maintained that people react favorably to it in organization by increased profitability, lower unit cost, and good morale and improved labour management relation. According to Nwachukwu (2018), the worst style of leadership is autocratic and authoritarian leadership style which gives rise to high labour management conflicts.

Conceptual Framework

Conceptual framework of this study is presented in figure 1 below. The framework was designed shows relationship between management of leadership styles and profitability of production firms in South East, Nigeria.

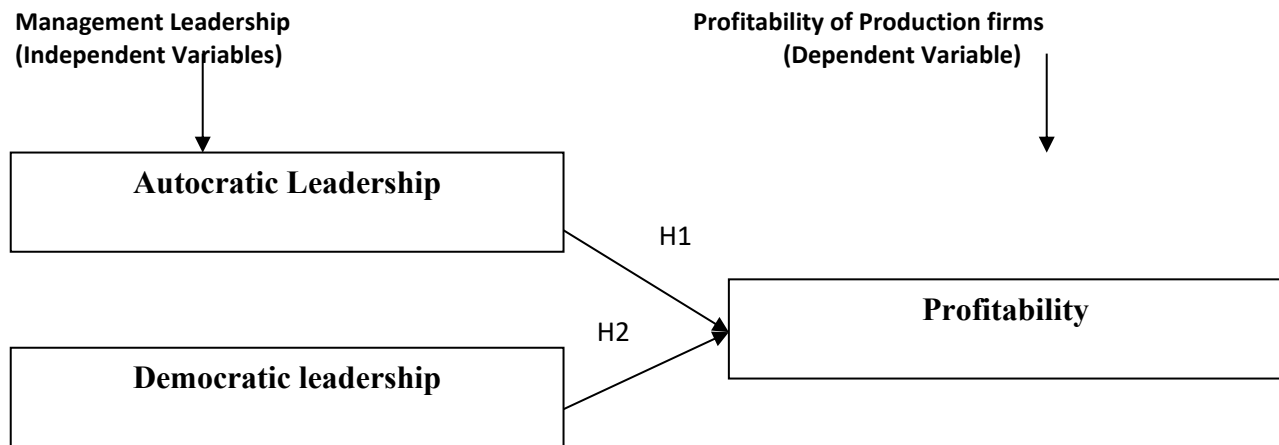


Figure 1: Model of Management of Leadership Styles and Profitability of Production Firms

Source: Researcher Own Model

Theoretical Framework

Two major theories of leadership were reviewed, but the study was anchored on Trait Theory leadership which focuses on the personal attributes of leaders, which comprise physical and personality characteristics, competencies and values.

Great Man Theory

Great man theory proposes that the aptitude for leadership is inborn and inherited. According to this theory, it is either you are born naturally as a leader or you are not. The term 'great man' was adopted because it was thought then that leadership was majorly for males, particularly in the military. The great man theory of leadership became well known in the 19th century. The legends behind some of the world's most famous leaders such as Mahatma Gandhi, Abraham Lincoln, Alexander the Great and Julius Caesar helped contribute to the conception that great leaders are given birth to and not made. Historian Thomas Carlyle also had a key sway on this theory of leadership at one point, stating that the history of the world is but the biography of great men. He stressed that efficient and productive leaders are those with inspiration and the right characters and features (Belmejdoub 2015; House, 1971).

Trait Theory

Trait approach theory of leadership is one of the earliest theories of leadership. It focuses on the personal attributes of leaders, which comprise physical and personality characteristics, competencies and values. It views leadership mainly from the perspective of the individual leader. Basis of this approach is the assumption that traits produce patterns of behavior that are coherent amidst the situations. Therefore, leadership traits are considered to be embedded characteristics that people are born with and that remain relatively stable over time (Mumford, et al., 2018)

Empirical Review

The following empirical studies were presented below:

Ukaidi (2016) evaluated the influence of leadership styles on organizational performance in Nigeria. The aim of the study was to evaluate the influence of leadership styles on organizational performance in Nigeria. The study adopted survey research design. The predictor variable was Leadership Style Democratic, Autocratic and laissez faire and the criterion variable was firm's performance. Cronbach alpha > 0.9 using one way Anova etc. It was found that managers with democratic inclinations account for more variance in performance than autocratic and laissez faire.

Duygulu and Ozeren (2019) examined the effects of leadership styles and organizational culture on firm's innovativeness in Turkey. The ultimate objective of this study was to show the effects of leadership styles and organizational culture on firm's innovativeness. The most significant finding of the study is that adhocracy culture has been found as a common variable for all firms within the sample in explaining innovativeness. On the other side, based on firm level analysis, it has been shown that for construction and chemical firms market culture, for steel and iron firm employee-oriented leadership, for pharmaceutical firm hierarchy and change centered leadership and finally for aviation firm adhocracy culture have been found to explain firm's innovativeness.

Olayisade and Awolusi (2021) affirmed the effect of leadership styles on employee's productivity in the Nigerian oil and gas industry in Uganda. The purpose of this study was to examine the effect of leadership style on employee productivity in the Nigerian oil and gas industry using Chevron Nigeria Limited as a case study. The study used a five-point Likert scale questionnaire consisting of forty questions covering autocratic, democratic, bureaucratic, laissez faire, transactional, charismatic leadership styles and employee productivity variables. Results affirm the validity and reliability of research findings. The results of the descriptive and regression analysis indicate that the autocratic leadership style is the most predominant leadership style in the Nigerian Oil and Gas followed by laissez-faire, bureaucratic, transactional, democratic and charismatic leadership styles.

Rehman *et al.* (2018) studied leadership styles organizational culture and employees' productivity: Fresh Evidence from Private Banks of Khyber-Pakhtunkhwa, Pakistan was undertaken with a primary objective of investigating the impact of leadership styles and organizational culture on employees' productivity. Both qualitative and quantitative research method was used in arriving at the research finding that a significant positive relationship exists between employees' productivity and several leadership styles such as laissez fair, transactional and transformational leadership styles. The study also posits that neither autocratic nor a democratic style of leadership has a significant positive association with employees' productivity.

Marcus *et al.* (2017) studied the impact of leadership styles and employee performance in Nigerian higher institutions. The study utilized primary and secondary data through the use of questionnaires and literature review respectively. The study revealed that leadership style affects employee performance, needs and goals.

Singh (2015) reviewed leadership style and employee productivity: a case study of Indian banking organizations. The study used a quantitative approach to achieve the research objective of understanding the relationship between leadership styles and employee productivity with an emphasis on private and foreign banks in India. Data were collected using self-administered questionnaires; a total of three hundred (300) questionnaires were distributed with a response rate of 69%. The findings of the research indicated that although leader leadership style improves employee productivity, the prevailing power distance culture in the organization needs to be considered when choosing an appropriate leadership style.

Chodhury and Gopal (2018) explored how leadership styles influence employee motivation in India's leading oil company. Survey technique and review of existing literature were used to source primary and secondary research data respectively. The research concluded that transformational and transactional leadership styles were the most dominant leadership styles and that different leadership styles impact employee motivation in a variety of different ways. The findings are not holistic as it is limited to one company from the Indian oil sector; additional research work will have to be done before the research finding can be extended to a larger population. The findings of this research

work are not holistic as it is limited to one company from the Indian oil sector; additional research work will have to be done before the research finding can be extended to a larger population.

Obasan & Banjo (2019) study of the impact of leadership styles on employee performance used the (Nigerian) Department of Petroleum Resources as a case study. The paper focused on select leadership styles and how these styles impact employee performance and used primary data generated by deploying one hundred questionnaires through a stratified random selection of respondents. The study compared the effect of transactional, transformational, and laissez-faire leadership styles have on employee performance.

Brierley (2016) studied an examination of the use of profitability analysis in manufacturing industry although profitability analysis has been identified as a useful technique, it is an under researched area. This paper extends the limited research into profitability analysis by using research interviews to examine the circumstances when profitability analysis is or is not prepared, why various types of profitability analysis are prepared and the how it is used in decision making. Some notable results indicate that operating units prepare profitability analysis when there is an interest in preparing it and the resources exist to prepare it. Operating units prepare both product profitability analysis (PPA) and customer profitability analysis (CPA) to assist with increasing profits through managing low profit- or loss-making customers. The aim is to identify those products that contribute to the low profit or loss of a customer.

Odusanya and Yinusa (2018) examined determinants of firm profitability in Nigeria. This study examines the determinants of firm profitability for 114 firms listed on the Nigerian Stock Exchange (NSE) from 1998 to 2012, using the system Generalized Method of Moments (GMM). The results show that lagged profitability exerts significant positive effect on contemporaneous firm profitability. However, short-term leverage, inflation rate, interest rate and financial risk have significant negative effects on firm profitability.

Gaps in Empirical Review

There exist past studies on management of leadership styles and profitability of production firms in South East, Nigeria. For instance, so many studies have been done in this area with reference to several sectors of economy but not in production firm even though so many of them did not review such variables here. These studies reveal both conceptual, contextual gaps and theoretical basis as few studies that have focused on management of leadership styles and profitability of production firms are too small. This study sought to fill this gap.

Methodology

This section looks at the research methods that were used. It considers the research design, area of the study, sources of data, population of the study, sample size, sampling technique, method of data collection, validity of the research instrument, reliability of the research instrument and methods of data analysis.

Research Design

The researcher used descriptive survey method for the study. This method was used because this method provides an in-depth analysis and study assessment of all information that will be obtained.

Area of the Study

The study was carried out in South-East, Nigeria. The South East is the one of the six geopolitical zones of Nigeria representing both a geographic and political region of the country's inland southeast. It comprises five states Abia, Anambra, Ebonyi, Enugu, and Imo.

Sources of Data

The data used for this research were obtained, specifically from two sources namely; primary and secondary data.

Primary Data

In collecting primary data for the work, one device was employed thus: questionnaire that was administered to the respondents to ascertain the necessary information aid to the achievement of the research purpose.

Secondary Data

Secondary data are facts that the researcher collected from already existing sources. In this study, secondary data were collected from textbooks, journals, and internet.

Population of the Study

The target population of the study consists of management (sales rep, area managers, and regional managers) staff of selected five (5) production firms in South East, Nigeria. The total population for the study was one hundred and eighteen (118) which make up one firm from each States. Then the basis of selection was on working capital, capitalization and high number of staff strength.

Table 1: Description of Population Under the Study

<i>S/No</i>	<i>States</i>	<i>Firms</i>	<i>Management Staff</i>	<i>Total</i>
1	Enugu State	Zandob Production Firms	15	15
2	Anambra State	Afriwood	17	17
3	Abia State	Seven Up Bottling Company	59	59
4	Ebonyi State	Cassava Processing Factory	12	12
5	Imo State	Ekeoma Plastic Nigeria	29	29
Grand Total				132

Source: *Company Internal Report, 2022*

Sampling Size Determination

For the fact that it was discover that previous studies on this area has made various sample size in this area, it was obvious most of them arrived between the range of 100 down to 200 sizes. Therefore, the study population was too small, the researcher standard on existing literatures to used entire 132 of the population as sample size of the study.

Sampling Technique

To select the sample for the entire States, the study used convenience sampling technique since there was no sampling frame. To further distributed the sample to the five (5) selected production firms in South East, Nigeria.

Table 2: Proportionate Allocation of Questionnaire Among Selected Production Firms

<i>S/N</i>	<i>States</i>	<i>Firms</i>	<i>Proportionate Allocation</i>
1	Enugu State	Zandob Production Firm	15
2	Anambra State	Afriwood	17
3	Abia State	Seven Up Bottling Company	59
4	Ebonyi State	Cassava Processing Factory	12
5	Imo State	Ekeoma Plastic Nigeria	29
Total			132

Source: *Field Survey, 2022*

Method of Data Collection

The study used structured questionnaire. The questionnaire was divided in two sections, section A was designed to gather bio-data of the respondents such as gender, educational qualification, age and work experience. While

section B was designed to gather data relating to the independent and the dependent variables. The questions were designed in a 5-likert scale as follows: Strongly Agree (SA) –5 points, Agree (A) – 4 points, Undecided (UN) – 3 Points, Disagree (D) – 2 points and strongly Disagree (SD) – 1 point.

Validity of the Research Instrument

The research questionnaire utilized a five-level Likert scale to capture respondent responses. The Likert scale was designed by Rensis Likert in 1932 and is greatly utilized in management research to measure and evaluate people’s attitudes, opinions and perceptions to questions and/or statements. The questionnaire had three questions (i.e. subscale) each for the independent variables and the dependent variable. About three professors in Department of Business Administration Eust gone through the questionnaire and made extensive corrections and modifications confirms that the instrument is good.

Reliability of the Research Instrument

The study conducted test-re-test approach to check the reliability of the instrument through Statistical Package for Social Sciences (SPSS version 25). After, the Cronbach’s alpha result was produced using a scale test and the result reported over the conventional cut-off point of 0.7, indicating that the subscales used were reliable and consistently capable of measuring the variables it is intended to measure.

Methods of Data Analysis

Data were presented and analyzed in tables and percentages. Correlation analysis was employed to test the hypotheses.

Data Presentation and Analysis

Data Presentation

Table 3: Copies of the Questionnaire Distributed and Returned

<i>Respondents</i>	<i>Copies of Questionnaire Distributed</i>	<i>Copies Returned</i>	<i>Percentage Returned</i>	<i>Copies not Returned</i>	<i>Percentage not Returned</i>
<i>Staff</i>	132	130	98%	2	2%
<i>Total</i>	132	130	98%	2	2%

Source: Field Survey, 2022

From table 3 above, it shows that 130 copies of the questionnaire were duly completed and returned representing 98 percent, while 2 copies of the questionnaire were not duly completed and returned from the respondents representing 2 percent. Therefore, the total of 130 copies was used for the analysis with 98%.

Data Analysis

Table 4: Bio-data of Respondents

		Customers	
Option	Frequency	Percentage%	
Gender			
Male	30	23	
Female	100	77	
Total	130	100	
Age			
18-30	80	62	
31-43	20	15	
44-56	20	15	
57-69	5	4	
70 and above	5	4	
Total	130	100	
Marital Status			
Single	100	77	
Married	30	23	
Total	130	100	
Highest Ed Qualification			
Ph.D	10	8	
Masters	15	11	
First Degree	40	31	
OND/NCE	50	38	
SSCE	5	4	
FSLC	10	8	
Total	130	100	

Source: Field Survey, 2022

From table above, it was found for customers that 30(23%) of the respondents were male, 100(73%) of the respondents were female, Aspect of age 80(62%) of the respondents were aged between 18 -30 years, 20(15%) of respondents were between 31 -43, 20(15%) of respondents were between the age of 44-56, 5(4%) of the respondents were between the age range of 57-69 and finally 5(4%) of the respondents were between the age 70 years and above. In Marital status 100(77%) of respondents were single while 30(23%) of the respondents were married. 10(8%), 15(11%), 40(31%), 50(38%), 5(4%) and 10(8%) of PhD, First degrees, OND/NCE, SSCE and FSLC of respondents respectively.

Analysis of Data Relating to Research Questions

Analysis of Research Question 1

To what extent does autocratic leadership relates with profitability of production firms in South East, Nigeria?

Table 5: Response Table on Autocratic Leadership and Profitability of Production Firms.

Options (N =130)	SA (Freq %)	A (Freq %)	UD (Freq %)	D (Freq %)	SD (Freq %)	Total	Mean
Autocratic leadership makes workers behavior well towards stated objectives.	100 (500) 77%	20 (80) 15%	5 (15) 4%	1 (2) 1%	4 (4) 3%	130 601 100%	4.6(A)

<i>Autocratic leadership pattern increases firms revenue.</i>	90 (450) 69%	30 (120) 24%	3 (9) 2%	2 (4) 1%	5 (5) 4%	130 588 100%	4.5(A)
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Source: Field Survey, 2022

Table 5 shows that out of 130 respondents were asked whether autocratic leadership makes workers behavior well towards stated objectives, 100(77%) of respondents were strongly agree, 20(15%) of respondents were agree, 5(4%) of respondents were undecided, 1(1%) of respondents were disagree and 4(3%) of respondents were strongly agree. Majority strongly agreed that autocratic leadership makes workers behavior well towards stated objectives.

In table 5, staff respondents were asked if autocratic leadership pattern increases firms' revenue, 90(69%) of respondents were strongly agree, 30(24%) of respondents were agree, 3(2%) of respondents were undecided, 2(1%) of respondents were disagree and 5(4%) of respondents were strongly disagree. A good number of the respondents reported strongly that autocratic leadership pattern increases firms' revenue.

Therefore, analytical evidence between strongly agreed that autocratic leadership relates with profitability of production firms in South East, Nigeria.

Analysis of Research Question 2

To what extent does democratic leadership relates with profitability of production firms in South East, Nigeria?

Table 6: Response Table on Democratic Leadership and Profitability of Production Firms

<i>Options (N =130)</i>	<i>SA (Freq %)</i> 5	<i>A (Freq %)</i> 4	<i>UD (Freq %)</i> 3	<i>D (Freq %)</i> 2	<i>SD (Freq %)</i> 1	<i>Total</i>	<i>Mean</i>
<i>Democratic leadership gives worker equal opportunity to say their opinions for the growth of the firm.</i>	100 (500) 77%	20 (80) 15%	5 (15) 4%	1 (2) 1%	4 (4) 3%	130 601 100%	4.6(A)
<i>Democratic leadership increases the rate of ideals of workers within the firm.</i>	90 (450) 69%	30 (120) 24%	3 (9) 2%	2 (4) 1%	5 (5) 4%	130 588 100%	4.5(A)

Source: Field Survey, 2022

Table 6 shows that out of 130 respondents were asked whether democratic leadership gives worker equal opportunity to say their opinions for the growth of the firm, 100(77%) of respondents were strongly agree, 20(15%) of respondents were agree, 5(4%) of respondents were undecided, 1(1%) of respondents were disagree and 4(3%) of respondents were strongly agree. Majority strongly agreed that democratic leadership gives worker equal opportunity to say their opinions for the growth of the firm.

In table 6, staff respondents were asked if democratic leadership increases the rate of ideals of workers within the firm, 90(69%) of respondents were strongly agree, 30(24%) of respondents were agree, 3(2%) of respondents were undecided, 2(1%) of respondents were disagree and 5(4%) of respondents were strongly disagree. A good number of the respondents reported strongly that democratic leadership increases the rate of ideals of workers within the firm.

Therefore, analytical evidence between strongly agreed that democratic leadership relates with profitability of production firms in South East, Nigeria.

Test of Hypotheses

Test of Hypothesis One and Two

- i. There is no significant positive relationship between autocratic leadership and profitability of production firms in South East, Nigeria.
- ii. There is no significant positive relationship between democratic leadership and profitability of production firms in South East, Nigeria

Table 7: Pearson Product Moment Correlation Coefficients among Research Variable

Correlations			
		Profitability of Production firms	Profitability of Production firms
Autocratic Leadership	Pearson Correlation	1	.034
	Sig. (2-tailed)		.000
	N	132	132
Democratic Leadership	Pearson Correlation	.049	1
	Sig. (2-tailed)	.000	
	N	132	132

All Coefficients are Significant in 95% Confidence Level.

Table 8: Model Description

Model	Correlation Coefficient	Squared Correlation Coefficient	Moderated Coefficient
1	0.770	0.389	0.4782

Pearson correlation coefficient was .0770 between autocratic leadership and democratic leadership over profitability of production firms and this rate was significant in 99% confidence level. Table 4.6 outlines the results of correlation test autocratic leadership and democratic leadership against profitability of production firms. In general, this study shows that all there is significant positive relationships between autocratic and democratic leadership against profitability of production firms in South East, Nigeria. As seen, there is a significant positive correlation among variables with sign of p-value of .000. In the table 4.6 model summary, squared correlation coefficient is 0.077 which means that 23% of changes in between the variables and 77% challenges happened outside the model.

Discussion of Findings

Hypothesis One: the result of hypothesis one shows that autocratic leadership has correlated significantly and positively with the profitability of production firms in South East, Nigeria. Therefore, this study is in line and agreed with the study of Ukaidi (2016) who evaluated the influence of leadership styles on organizational performance in Nigeria. It was found that managers with democratic inclinations account for more variance in performance than autocratic and laissez faire. But in different view Olayisade and Awolusi (2021) who affirmed the effect of leadership styles on employee’s productivity in the Nigerian oil and gas industry in Uganda. Confirms that the autocratic leadership style is the most predominant leadership style in the Nigerian Oil and Gas followed by laissez-faire, bureaucratic, transactional, democratic and charismatic leadership styles.

Hypothesis Two: the result of hypothesis two shows that democratic leadership has correlated significantly and positively with the profitability of production firms in South East, Nigeria. However, this is in agreement with the study of and finally for aviation firm adhocracy culture have been found to explain firm’s innovativeness. Olayisade and Awolusi (2021) who affirmed the effect of leadership styles on employee’s productivity in the Nigerian oil and gas industry in Uganda. The results of the descriptive and regression analysis indicate that the autocratic leadership style is the most predominant leadership style in the Nigerian Oil and Gas followed by laissez-faire, bureaucratic, transactional, democratic and charismatic leadership styles. But Obasan and Banjo (2019) opposes what previous authors did as a resultant that a research work are not holistic as it is limited to one company from the Indian oil

sector; additional research work will have to be done before the research finding can be extended to a larger population.

Summary of Findings

- i. Autocratic leadership had significant positive relationship with profitability of production firms in South East, Nigeria ($t=.034$, $pv=0.05<0.000$).
- ii. Democratic leadership had significant positive relationship with profitability of production firms in South East, Nigeria ($t=.049$, $pv=0.05<0.000$).

Conclusion

Based on the findings of the study, we conclude that management leadership styles had significant positive relationship with profitability of production firms in South East, Nigeria. Meanwhile, to effectively and successfully manage the affairs of an organization, leadership is a determinant factor. The success or failure of an organization depends largely on the style of leadership being adopted in the organization. Under the right leadership style, employees are ready to go the extra mile in contributing their best to the growth and sustainability of the organization, whereas under the wrong leadership style, they lack the zeal and motivation to contribute the best of their quota to the organization, and invariably, a low output is experienced.

Recommendations

In an attempt to meet the aspiration of the people and attain the expected developmental goals, leadership should apply the following recommendations;

- i. Respondents expressed hope in the leadership for the achievement of developmental goals. Leadership should therefore take up the challenge and play the role that ensures the established trust between the two parties through autocratic styles of leadership.
- ii. Since the outcome of the research indicate that democratic leadership is preferred managers should always adopt democratic leadership because it gives workers chance of sharing ideals and knowledge in order to boost organizational goals.

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